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**BEFORE THE ARIZONA POWER PLANT
AND TRANSMISSION LINE SITING COMMITTEE**

LIVED Arizona Corporation Commission

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In the matter of the Application of Salt
River Project Agricultural Improvement and
Power District in conformance with the
requirements of Arizona Revised Statutes
Sections 40-360-03 and 40-360.06, for a
Certificate of Environmental Compatibility
authorizing the Expansion of its Santan
Generating Station, located at the intersection
of Warner Road and Val Vista Drive, in
Gilbert, Arizona, by adding 825 megawatts
of new capacity in the form of combined cycle
natural gas facilities, plus associated on site
transmission.

AZ CORP COM
DOCUMENT CONTROL

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[Signature]

Case No. 105

Docket No. L-00000B-00-0105

SUPPLEMENT TO THE APPLICATION FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Applicant Salt River Project Agricultural Improvement and Power District ("SRP"),
following up to the request of the Committee to receive material supplementing the
application prior to the hearing, hereby submits the following supplemental material:

Attachment 1: Additional public information material that has been sent to 65,000
SRP customers living in the general service area of the Santan
Generating Station.

Attachment 2: Clarification of the SRP's intended connection of its facilities to the
transmission system. This clarification was suggested by ACC
Staff, so that SRP will maintain appropriate flexibility to connect to
either or both the 230 kV and 69 kV systems, as may be necessary
to maximize the use of the Santan Expansion facilities for voltage
support purposes.

1 DATED this 6th day of September, 2000

2 JENNINGS, STROUSS & SALMON, PLC

3
4 By:



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10 The original and twenty-five
11 copies were filed this 6th day
of September, 2000 with:

12 Docket Control
13 Arizona Corporation Commission
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Phoenix, Arizona 85007

14 Copies were mailed this 6th day
15 of September, 2000 to:

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SANTAN EXPANSION PROJECT

SRP Answers Recent Questions About Proposal

SRP's proposed expansion of the Santan Generating Station will ensure an adequate supply of low-cost, reliable power for the growing Southeast Valley. The facility will generate enough electricity to support an average of 200,000 homes and will help SRP meet projected load growth.

Local generation is the preferred choice because it is close to where the need exists, providing a more reliable source of electricity. A local supply of power can be accomplished economically and safely.

SRP has a proven record in environmental stewardship, operational safety and community responsibility. With the Santan proposal, SRP will continue these commitments.

These questions regarding the Santan proposal were recently posed to SRP:

Why not build the plant in a remote location?

A local site is preferred over a distant one for several reasons. Local generation provides a more reliable and efficient source of electricity. When electricity travels long distances, it becomes less efficient (because electrons are naturally lost over distance) and less stable (causing voltage fluctuations). The Santan location provides a cost-effective solution because of its prime location in the heart of growth and the existing infrastructure at the site.

If a plant were built outside the Valley, it would require extensive transmission line development, a water delivery system and a natural gas supply. These are important considerations because SRP recovers the costs of capital expenditures through pricing, and we want to maintain low-cost, reliable service to our customers.

Do any states require that transmission lines be under ground?

There is no state in the U.S. that has mandated major transmission lines be installed under ground. While smaller distribution (neighborhood) lines are more commonly placed under ground, there are technical and practical obstacles to undergrounding major transmission lines, including property acquisition, reliability, safety, maintenance and repair. And, the environmental effects of burying major transmission can be substantial. Also, the cost of developing underground transmission lines is up to 10 times higher than overhead lines.

Is the plant being built to sell power to California?

No. The plant is being built to serve the growing energy needs of the Southeast Valley. Nearly a half-million people have moved to the Southeast Valley over the past 30 years. This phenomenal growth requires new generation, preferably located where it is most needed. During the hottest days of the year, the plant will provide 100 percent of its power to customers in Gilbert, Tempe, Chandler and Mesa.

During periods of lower customer demand, SRP may sell power from this facility on the wholesale market to other utilities and power marketers, just as it may purchase power during high demand periods. This is a common industry practice. The electricity industry is interdependent, with utilities and power marketers throughout the Southwest moving electricity to where it is needed from where it is most available. When SRP sells wholesale energy, the revenues generated from such sales help hold down the price of electricity for our retail customers.

Will the plant affect local property values?

A recent study by a Tempe real estate appraisal firm determined that the existing Santan generating plant has had "no measurable impact on the value or marketability of homes" in the vicinity of the plant. Similarly, the study also concluded that the announcement of the plant expansion has had no measurable impact on property values or marketability in the area. While it is not possible to accurately predict future property values, the study suggests that the findings are evidence that the effect of the plant expansion will be negligible.

Are there other large urban plants in the U.S.?

There are several generating facilities located in urban areas, some larger and some smaller, and many using older, less-efficient technologies. Some urban plants in residential areas include the Encina plant in Carlsbad, Calif., with 965 MW

continued from front

generating capacity, and an 860-MW natural gas/oil-fired plant in Fort Lauderdale, Fla. Local growth and system reliability are often the reasons for urban plant development. Remember, the 825 MW Santan plant will use natural gas — the cleanest-burning fossil fuel — and will contain state-of-the-art environmental controls. The plant, when it begins operation, will be among the cleanest generating facilities in the nation.

Why must the plant's stacks be 150 feet in height?

The stack dimensions — both height and diameter — are influenced by the chemical and physical properties of the emissions, along with site topography and local meteorological conditions. The stacks must be of a size sufficient to properly disperse plant emissions into the atmosphere.

SRP carefully analyzed these variables to ensure air quality compliance. At 150 feet, the three stacks will lift emissions higher into the airshed, causing them to stay buoyant longer, mix with more air and travel faster. SRP has demonstrated that emissions from the stacks will be well within EPA standards at areas closest to the plant and many miles downwind. For these reasons, stack height cannot be changed, but SRP can develop aesthetic improvements that will minimize the stacks' appearance. (For comparison, some of the existing transmission poles on the Santan site are as high as 140 feet.)

How can a new power plant actually be good for the Valley's air?

The Santan plant will result in cleaner Valley air because air quality regulations require SRP to remove more emissions from the Valley's air than the plant will produce. For example, for every

ton of carbon monoxide the plant will produce, SRP must remove 1.1 tons from the airshed. These "offsets" will be accomplished by various means, including new environmental controls on the existing Santan generating units.

Remember, the new plant will operate with the cleanest and most efficient fossil-fuel technology available. It will use natural gas to generate electricity and will contain state-of-the-art environmental controls.

How will SRP make sure that chemical storage, use and disposal are safe?

SRP has an extensive safety program for its employees and facilities. Safety is a corporate initiative against which SRP's success is continually measured. Santan personnel are and will be highly skilled professionals who are trained in all aspects of plant safety. The generating technology at the Santan plant will require three primary chemicals — sodium hypochlorite, sulfuric acid and aqueous ammonia. The first two are used for water treatment; ammonia is used with the air quality control equipment. The storage, use and disposal of all chemicals will comply with all applicable environmental and health regulations. No chemicals will be disposed of on site.

What about water from the plant?

As a steward of the Valley's water supply for nearly 100 years, SRP is very sensitive to the need to use and release water responsibly. Typically, SRP is permitted to release water from its existing plant operations into local canals for downstream urban and agricultural irrigation. The chemicals used to treat water at the plant are comparable to those used in a swimming pool. All water released from the new plant will meet state and federal regulations for the protection of surface water quality.

How long has SRP been planning this project?

In 1998, SRP conducted an evaluation of alternatives to meet future demand. Up until that time, generation resources were in surplus. However, load-growth analyses were beginning to indicate that within a few years, demand could catch up with supply and that the greatest demand growth for SRP would continue to be the Southeast Valley. SRP announced its Santan proposal in the summer of 1999. Through newsletters, open houses, a Web site, and group presentations, we continue to inform and educate our customers about the proposal.

Why didn't SRP build the plant 10 years ago?

SRP has always projected customer demand to plan for its future needs. Ten and 20 years ago, generation supplies were in surplus — in Arizona and the interconnected Southwest. Only in most recent years has dramatic economic and population growth begun to push demand closer to supply levels, making new generation necessary. It simply would not have made economic or regulatory sense to build a plant long before it was needed.



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Application Amendments

These sections are amended in the following respects:

4.1.2 Number and size of proposed units:

* * *

I. Connection to the transmission grid:

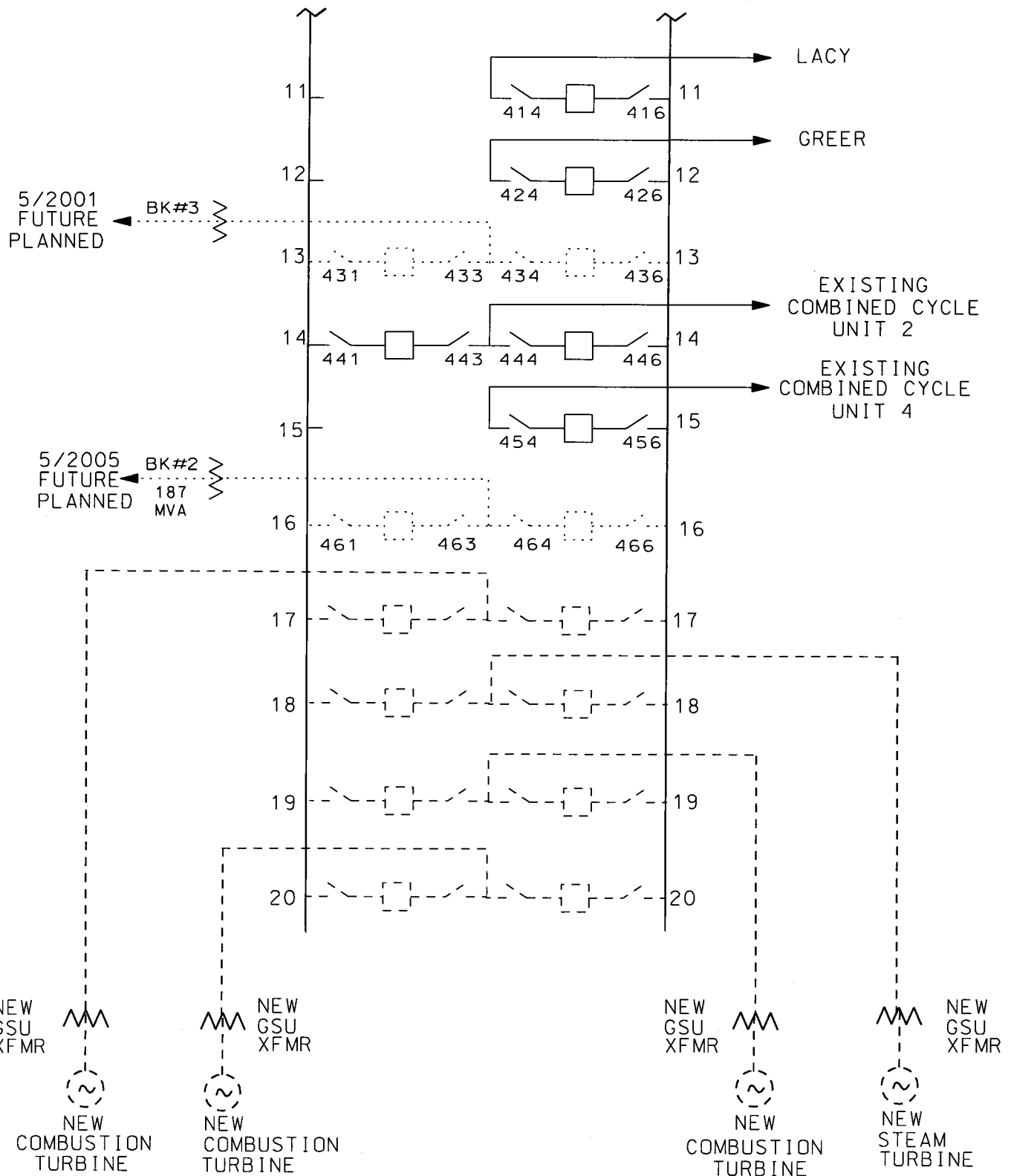
The proposed generating units will be connected to the transmission system at either the on site 230 kV switchyard or the on site 69 kV switchyard, or both. The final connection configuration will depend upon the determination of the most effective method to provide system voltage support. Short sections of lines and structures will be needed to connect the units to the switchyard(s). Possible configurations are attached as Exhibit 6 (included in original application) and Exhibit 6(a) (attached). In any event, the connections to the switchyard(s) will meet the two line criteria set forth by ACC Staff in its "Guiding Principles".

4.2.1 Description of proposed transmission lines:

No additional off-site transmission is proposed as a part of the SEP. SEP will include on-site transmission structures as needed to connect the new units to the existing 230 kV and/or 69 kV switchyards. The proposed structures will be dulled steel poles no more than 105 feet in height.

ALTERNATE ELECTRICAL 69KV SYSTEM SAMPLE

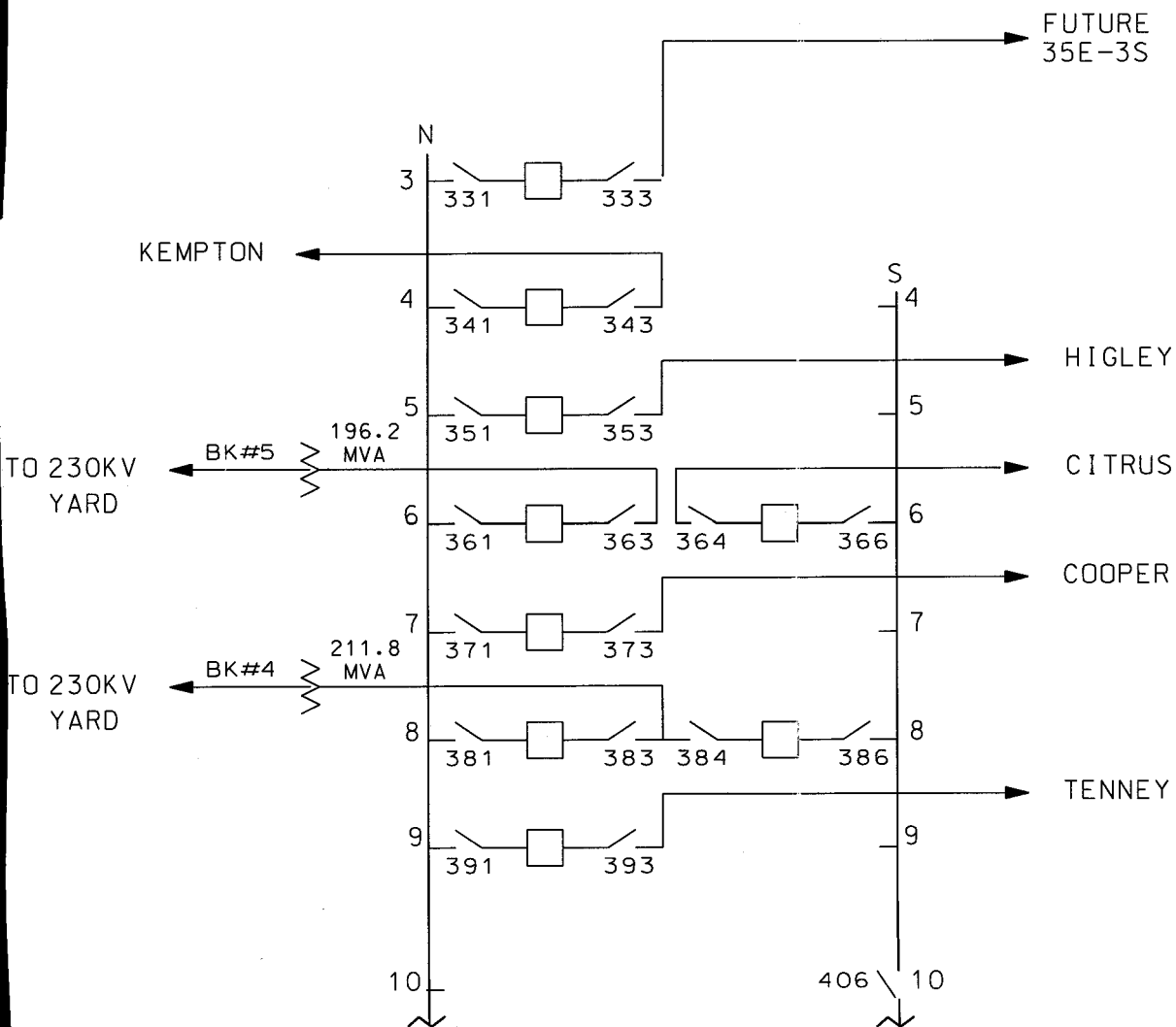
BAYS 11-20



INTERCONNECTION CONFIGURATION

REFERENCE: SEE FIGURE 6
IN SRP SANTAN EXPANSION
PROJECT APPLICATION FOR
A CEC.

BAYS 1-10



LEGEND

- EXISTING
- - - - - NEW PROPOSED GENERATION EQUIPMENT
- SRP FUTURE PLANNED